Remarks/Arguments

This amendment is submitted in response to the Office Action of January 6, 2004, identified as Paper No. 15. Claims 33-54 remain pending in the application.

Claims 38-52 were rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. Claims 45-48 and 53 were rejected under 35 U.S.C. § 103(a) as obvious in light of GB 2,274,184 to McIntosh ("*McIntosh*") and U.S. Patent No. 5,944,824 to He ("*He*"). Claims 45-48 and 53 were rejected under 35 U.S.C. § 103(a) as obvious in light of *McIntosh* in view of U.S. Patent No. 5,732,138 to Noll et al. ("*Noll*"). Claim 49 was rejected under 35 U.S.C. § 103(a) as obvious in light of *McIntosh* and *He*, in further view of U.S. Patent No. 6,088,143 to Bang ("*Bang*"). Claims 50-52 and 54 rejected under 35 U.S.C. § 103(a) as obvious in light of *McIntosh* and *He*, in further view of U.S. Patent No. 6,161,185 to Guthrie et al. ("*Guthrie*"). Claims 33-36, 38, 39, 40 and 41 rejected under 35 U.S.C. § 103(a) as obvious in light of *McIntosh* and *He*, in further view of U.S. Patent No. 6,315,195 to Ramachandran ("*Ramachandran*"). Claim 37 was rejected under 35 U.S.C. § 103(a) as obvious in light of *McIntosh*, *He*, and *Ramachandran* in further view of *Bang*. Claims 42-44 were rejected under 35 U.S.C. § 103(a) as obvious in light of *McIntosh*, *He*, and *Ramachandran* in further view of *Guthrie*.

With regard to the rejection under section 112, ¶ 1, Applicant has amended the independent claims to clarify the subject matter of the present invention and place the claims in condition for allowance or an appeal with regard to the substantive rejections. In particular, Applicant has amended the claims to recite "in sequence," based on the finding by the Examiner that such language in claim 53 was properly supported by the original specification.

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With regard to the various substantive rejections, the Examiner incorrectly noted that

Applicant did not address all of the rejections set forth in the previous Office Action. Rather

than address each of the multiple reference rejections individually with respect to each claim,

Applicant identified the three critical prior art combinations used to reject all of the claims and,

for simplicity, pointed out the impropriety of those combinations rather than address each claim

with respect to each combination.

The Examiner relied, and continues to rely, on either the combination of *McIntosh* and

He or the combination of *McIntosh* and *Noll* as rendering all of the principal elements of claimed

invention obvious. As other prior art combinations have been withdrawn, the claims therefore

stand or fall based on whether these combinations are proper.

The disagreement between Applicant and the Examiner over the patentability of the

claimed invention stems largely from a dispute over the prior application of the standard of

obviousness. Both the Examiner and Applicant agree that *McIntosh* discloses a portable device

for storing indicia that are associated with externally generated passwords, and that *McIntosh*

also includes circuitry for generating a random sequence. The Examiner conceded, however,

that the random sequence is only generated and displayed when someone improperly tries to gain

access to the portable device, *i.e.*, the password generator creates a *fake* stored password so that

an unauthorized user will be tricked into thinking that it is a real one.

Applicant and the Examiner also agree that the secondary references (*He* or *Noll*) teach

that random passwords are better than non-random passwords. The Examiner contends, and

Applicant disagrees, however, that this motivation is sufficient under 35 U.S.C. § 103 to render

the claimed invention obvious. In particular, the Examiner contends that the motivation in *He* or

Noll sufficiently motivates the modification of *McIntosh* to have the fake password circuitry

instead generate real, random passwords to be associated with the stored indicia. In other words, the circuitry in *McIntosh* will generate *real* passwords that will allow the authorized user to access the particular secure sites represented by the indicia.

The changes to *McIntosh* suggested by the Examiner go far beyond the simple teaching in the *He* or *Noll* that randomness is preferred. This leap from the simple teaching that 'randomness is better' to the redesign of *McIntosh* to perform a different function – a function that is completely counter to its central purpose of storing passwords that are *generated and provided by external sites* – is pure hindsight analysis and therefore improper under section 103.

The art addressed by *McIntosh* and the other cited references involves secure systems that generate their own passwords and provide them to authorized users. Users are then free to store the site-generated passwords in a device such as that disclosed in *McIntosh*. If a user of the portable device of *McIntosh* were to make the changes to the circuitry as suggested by the Examiner to generate real passwords, however, he would not be able to access the stored sites because those sites control the identity of the passwords, not the user.
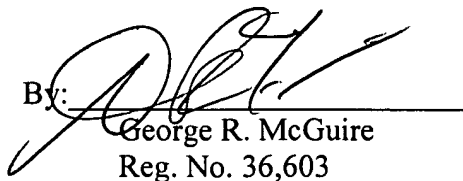
It is fundamental that a proposed modification should not render the prior art device unacceptable for its intended purpose or change its principal mode of operation. MPEP § 2143.01 (citing *In re Gordon*, 733 F.2d 900, 221 U.S.P.Q. 1125 (Fed. Cir. 1984) and *In re Ratti*, 270 F.2d 810, 123 U.S.P.Q. 349 (C.C.P.A. 1959)). The Examiner's proposed combination goes far beyond the simple suggestion in the art that randomness is preferred. Instead, the Examiner proposes changes to the basic operation of the device disclosed in *McIntosh* to accomplish tasks that are contrary to the primary purpose of *McIntosh* and that would ultimately defeat the useful operation of such a device.

Applicant pointed out this distinction by arguing that the state of art of *He* and *Noll* involve server-side password generation, not randomizing by the user. The Examiner responded that this distinction (*i.e.*, a user-generated password verses a server-generated password) was not a claim limitation. The creation of the password at the user side is indeed an ***express limitation***, as the claims clearly recite that the claimed portable device includes "password circuitry for generating a plurality of passwords, wherein each of said plurality of passwords is uniquely associated with a respective one of said plurality of indicia." This express element in the claims clearly places the point of generation of the passwords at the portable device rather than at the secure site to which the user of the device wishes to gain access. None of the references cited by the Examiner motivate the generation of a password at the user-side, as clearly set forth in the claims. As a result, the modification of a device such as that in *McIntosh* to generate passwords goes well beyond the scope of the cited prior art and, rather than serving a useful purpose, would frustrate the point of *McIntosh* as any of the recalled passwords ***would not work***.

In view of the foregoing supporting remarks, the Examiner's reconsideration is requested and allowance of the present application is believed to be in order. If the Examiner believes a phone conference with Applicant's attorney would expedite prosecution of this application, he is respectfully requested to contact the undersigned at (315) 218-8515.

Respectfully submitted,

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